

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

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LLS NO. 13-0920.01 Esther van Mourik x4215

COMMITTEE BILL

Capital Development Committee

SHORT TITLE: "Post-Constr Review Of Cap Constr Life-Cycle Costs"

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT FOR POST-CONSTRUCTION REVIEW OF**
102 **LIFE-CYCLE COSTS ON CAPITAL CONSTRUCTION PROJECTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billssummaries>.)

The "Performance Evaluation of State Capital Asset Management and Lease Administration Practices" audit conducted by the Office of the State Auditor and released in November 2012 reviewed the state's processes for monitoring capital construction projects and evaluating project assumptions against actual results. The audit found inconsistent

mechanisms for tracking, monitoring, and reporting on expenditures, project assumptions, and cost savings across departments and projects. In some cases the mechanisms did not appear to align with industry practices. Tracking, monitoring, and reporting on capital construction projects may help the state understand how limited available funds are invested.

The bill requires a state agency to conduct post-construction monitoring of life-cycle costs on a capital construction project when such project has a total anticipated project cost of five million dollars or more, but less than twenty million dollars, and is commenced on or after January 1, 2014.

The bill requires a state agency to conduct post-construction monitoring of life-cycle costs through an independent third party on a capital construction project when such project has a total anticipated project cost of twenty million dollars or more and is commenced on or after January 1, 2014.

The office of state planning and budgeting is required to develop budget instructions, in collaboration with the office of the state architect and the capital development committee, in order to establish the procedures for the required post-construction monitoring of life-cycle costs.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-30-1304.5 as
3 follows:

4 **24-30-1304.5. Post-construction monitoring of life-cycle**
5 **costs.** (1) (a) A STATE AGENCY SHALL CONDUCT POST-CONSTRUCTION
6 MONITORING OF LIFE-CYCLE COSTS ON A CAPITAL CONSTRUCTION PROJECT
7 AS SPECIFIED IN THE OFFICE OF STATE PLANNING AND BUDGETING'S
8 BUDGET INSTRUCTIONS WHEN SUCH PROJECT HAS A TOTAL ANTICIPATED
9 PROJECT COST OF FIVE MILLION DOLLARS OR MORE, BUT LESS THAN
10 TWENTY MILLION DOLLARS, AND IS COMMENCED ON OR AFTER JANUARY
11 1, 2014.

12 <{The definitions in 24-30-1301 apply to this new section - "capital
13 construction" (which includes IT), "state agency" (which includes

1 higher ed), and "life-cycle costs" - are there unintended consequences
2 with this?}>

3 (b) A STATE AGENCY SHALL CONDUCT POST-CONSTRUCTION
4 MONITORING OF LIFE-CYCLE COSTS THROUGH AN INDEPENDENT THIRD
5 PARTY ON A CAPITAL CONSTRUCTION PROJECT AS SPECIFIED IN THE OFFICE
6 OF STATE PLANNING AND BUDGETING'S BUDGET INSTRUCTIONS WHEN SUCH
7 PROJECT HAS A TOTAL ANTICIPATED PROJECT COST OF TWENTY MILLION
8 DOLLARS OR MORE AND IS COMMENCED ON OR AFTER JANUARY 1, 2014.

9 (2) THE OFFICE OF STATE PLANNING AND BUDGETING IN
10 COLLABORATION WITH THE OFFICE OF THE STATE ARCHITECT AND THE
11 CAPITAL DEVELOPMENT COMMITTEE, SHALL DEVELOP BUDGET
12 INSTRUCTIONS IN ORDER TO ESTABLISH THE PROCEDURES FOR THE
13 POST-CONSTRUCTION MONITORING OF LIFE-CYCLE COSTS REQUIRED IN THIS
14 SECTION. <Do we want a sentence that says that the cost of the
15 independent third-party be included in the total anticipated project
16 cost.}>

17 SECTION 2. Safety clause. The general assembly hereby finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, and safety.